

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of Friday, December 12, 2014

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Montgomery, Commissioner Callisto and Commissioner Nowak.

Minutes

The Commission approved the minutes of the Open Meeting of Thursday, December 4, 2014.

4280-SB-141 - Application of Northwestern Wisconsin Electric Company for Authority to Issue and Have Outstanding During 2015 Short-Term Indebtedness Not to Exceed \$6,500,000

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

5820-SB-130 - Application of Superior Water Light and Power Company for Authority to Issue Short-Term Notes Not to Exceed \$10,000,000 at any Time During 2015

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

6680-CG-159 - Application of Wisconsin Power and Light Company, as a Gas Public Utility, for Authority to Construct Facilities and Provide Natural Gas Service in the Village of Hustler, Juneau County, Wisconsin

The Commission approved the Notice of Investigation and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

1140-GR-109 - Request of City Gas Company for Authority to Change Firm Transportation Service Tariff and Increase Gas Cost Portion of Rates for System Sales Customers

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

2000-TE-100 – Application of Florence Utility Commission, Florence, Wisconsin for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

2000-TG-100 – Application of Florence Utility Commission, Florence, Wisconsin, for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

2000-TW-100 – Application of Florence Utility Commission, Florence, Wisconsin, for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

2790-TE-100 – Application of Juneau Utility Commission, Juneau, Wisconsin for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

2790-TW-100 – Application of Juneau Utility Commission, Juneau, Wisconsin for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

4970-TE-100 – Application of Reedsburg Utility Commission, Reedsburg, Wisconsin, for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

4970-TW-100 – Application of Reedsburg Utility Commission, Reedsburg, Wisconsin, for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

5050-TE-100 – Application of Rice Lake Municipal Water and Electric Utility, Barron County, Wisconsin for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

5050-TW-100 – Application of Rice Lake Municipal Water and Electric Utility, Barron County, Wisconsin, for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

5740-TE-100 – Application of Stoughton Electric Utility, Dane County, Wisconsin for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

5750-TW-100 – Application of Stoughton Water Utility, Dane County, Wisconsin, for Tariff Changes to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it to be signed by the Secretary to the Commission on behalf of the Commission.

5-UR-107 - Joint Application of Wisconsin Electric Power Company and Wisconsin Gas LLC, both d/b/a We Energies, for Authority to Adjust Electric, Natural Gas, and Steam Rates

TASC Motion for Disqualification

The Commission referred the motion for disqualification to Commissioner Nowak for her determination through the filing of a written statement for the Commission's review and subsequent consideration.

5-GF-191 - Quadrennial Planning Process I

Quadrennial Planning Process I – Renewable Energy Funding

The Commission acknowledged Chicago Bridge and Iron's (CB&I) non-compliance with the certain provisions of the Commission's orders relating to renewable spending and determined that administrative carryover from 2014 shall be used to meet the prescriptive solar photovoltaic cost overruns resulting from this non-compliance. The Commission further determined that any unspent RECIP dollars remaining shall be spent on incentives in 2015 for Group 1 technologies (biomass, biogas, and geothermal).

The Commission directed that the Gas and Energy Division to draft an order consistent with its discussion.

6680-GF-112 - Wisconsin Power and Light Company's Request for Approval of Risk Management Plan for Hedging

The Commission discussed this matter and made the following determinations in approving Wisconsin Power and Light Company's (WP&L) request for approval of a Risk Management Plan for Electric Operations (ERMP):

1. WP&L may eliminate the market pricing guides from its ERMP. Commission staff shall monitor implementation and review what impact, if any, such elimination has on the results under the ERMP;
2. WP&L may not hedge, through both physical and financial risk management tools, more than a cumulative 65 percent of the predicted need for natural gas or for electricity for any future month;
3. WP&L may not hedge more than its expected demand in the current and prompt months.
4. Unless WP&L seeks and approves a waiver from the Commission for an exceptional or unusual circumstance, WP&L shall correct, within 60 days, any over-hedged situation;
5. WP&L may file waiver requests for Commission staff approval. Such requests shall not be automatically approved due to inaction. Approval of these requests are delegated to the division administrator. WP&L shall work with Commission staff on how to report any potential waiver in the quarterly reports.
6. WP&L shall file its request for extension to the risk management plan by August 31, of the year approval expires. Provided WP&L files by August 31, the currently approved plan shall be effective until the Commission approves an updated plan.
7. WP&L shall report intra-month hedging in its quarterly reports to the Commission.
8. Approval of WP&L's revised ERMP shall extend through December 31, 2016.
9. WP&L shall continue to abide by the conditions set forth in the previous Final Decisions in this docket.

The Commission directed that the Gas and Energy Division to draft an order consistent with its discussion.

6680-AU-114 - Application for Approval of an Affiliated Interest Agreement Between Wisconsin Power and Light Company and Interstate Power and Light Company Regarding Transfer of Supply

The Commission approved Wisconsin Power and Light's request to modify its Master Supply Agreement with its affiliate, Interstate Power and Light Company as filed.

The Commission directed that the Gas and Energy Division to draft an order consistent with its discussion.

6690-UR-123 - Application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates

This matter was laid over.

4220-UR-120 - Application of Northern States Power Company-Wisconsin for Authority to Adjust Electric Rates and Maintain Existing Natural Gas Rates

The Commission discussed this matter and made the following preliminary determinations:

1. All of the uncontested alternatives for the uncontested issues were accepted in this matter.
2. The revenue allocation proposed by Commission staff, as adjusted for final revenue requirement, is reasonable.
3. It is reasonable to allocate changes in the final revenue requirement consistent with Commission staff's revenue allocation.
4. A reasonable electric revenue allocation before the impact of the delayed NYMEX update exhibit based on Commission staff's overall average increase of 2.48 percent includes class increases of: 2.49 percent for Residential and Farm; 2.53 percent for Small Commercial and Industrial; 2.51 percent for Medium Commercial and Industrial; 2.49 percent for Large Commercial and Industrial; and 1.09 percent for Lighting and Other. The effect of the NYMEX update shall be allocated similarly.
5. The electric rate design proposed by Northern States Power Company-Wisconsin (NSPW), as adjusted for final revenue requirement, is reasonable.
6. The increase to the controllable demand charge proposed by NSPW is reasonable.

The Commission directed that the Gas and Energy Division to draft an order consistent with its discussion.

CLOSED SESSION – The Commission may recess the open meeting, go into closed session under Wis. Stat. § 19.85(1)(e) to discuss competitive bargaining information associated with Agenda Item 23, and Wis. Stat. § 19.85(1)(g) to discuss the litigation matters noted as Agenda Items 24 and 25 below with legal counsel, and reconvene the open meeting pursuant to Wis. Stat. § 19.85(2).

Commissioner Callisto moved, pursuant to Wis. Stat. §§ 19.85(1)(e) and 19.85(1)(g), that the Commission convene in closed session to discuss the competitive bargaining information associated with docket 9501-FE-120 and the litigation matters associated with FERC Dockets ER15-358-000 and EL14-12-000. Commissioner Nowak seconded the motion. The motion carried and the Commission went into closed session.

9501- FE-120 – 2015-2017 Contract for Services Between Statewide Energy Efficiency and Renewables Administration and Chicago Bridge and Iron

During the discussion held in closed session, the Commission provided guidance to Commissioner Nowak relating to the contract negotiations and delegated approval of the final contract to Commissioner Nowak provided that an agreement in principle on the items discussed in closed is reached prior to December 22, 2014, consistent with the discussion in closed session.

FERC Docket No. ER15-358-000 – Midcontinent Independent System Operator, Inc.

Request of MISO and MISO Transmission Owners for Incentive Adder to Return on Equity, Effective 11/7/14, for Participation in Regional Transmission Organization

During the discussion held in closed session, information was presented to the Commission regarding the above litigation matter. No motion was made with respect to this item.

FERC Docket No. EL14-12-000 – Association of Business Advocating Tariff Equity Coalition of MISO Transmission Customers, et al., v. Midcontinent Independent System Operator, Inc., et al.

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During the discussion held in closed session, information was presented to the Commission regarding the above litigation matter. No motion was made with respect to this item.

The Commission adjourned the meeting at 12:02 p.m.

Sandra J. Paske
Secretary to the Commission

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